STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

Outagamie County Dept. of Human Services, Petitioner

vs.

[redacted], Respondent

DECISION
Case #: FOF - 177434

Pursuant to petition filed October 19, 2016, under Wis. Admin. Code, §HA 3.03, and 7 C.F.R. § 273.16, to review a decision by the Outagamie County Dept. of Human Services to disqualify [redacted] from receiving FoodShare benefits (FS) for a period of one year, a hearing was held on January 4, 2017, by telephone. Hearings set for November 30 and December 15, 2016 were rescheduled at the respondent's request. At the time of the hearing the judge contacted the respondent at the telephone number he left at the prior reschedule; the respondent did not answer and did not respond to the message left at the number.

The issue for determination is whether the respondent committed an Intentional Program Violation (IPV).

PARTIES IN INTEREST:
Petitioner:

Outagamie County Dept. of Human Services
401 S. Elm Street
Appleton, WI 54911-5985
By: [redacted]

Respondent:
[redacted]

ADMINISTRATIVE LAW JUDGE:
Brian C. Schneider
Division of Hearings and Appeals

FINDINGS OF FACT

1. The respondent (CARES #[redacted]) is a resident of Outagamie County who received FS benefits in Outagamie County in 2016.

2. The respondent was incarcerated April 11, 2016. He did not report the incarceration to the agency.

3. The respondent's FS card continued to be used after April 11, 2016. Although the respondent was afforded "Huber" privileges, the card was utilized both when he was out for work purposes and while he was actually in the jail.

4. The county discovered the respondent's incarceration in June, 2016, and closed FS effective July 1, 2016. On July 7, 2016 the respondent contacted the agency to inquire why his FS were closed. The respondent did not contact the agency to report a stolen or lost FS card during the period April through July, 2016.

5. On September 8, 2016, the petitioner prepared an Administrative Disqualification Hearing Notice alleging that the respondent trafficked FS by allowing another person to use his FS card. The respondent has no prior IPV findings against him.

6. The respondent failed to appear for the scheduled January 4, 2017 IPV hearing and did not provide any good cause for said failure to appear.

DISCUSSION

An intentional program violation of the FoodShare program occurs when a recipient intentionally does the following:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts; or
2. commits any act that constitutes a violation of the Food Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

FoodShare Wisconsin Handbook, §3.14.1; see also 7 C.F.R. §273.16(c) and Wis. Stat., §§946.92(2).

An intentional program violation can be proven by a court order, a diversion agreement entered into with the local district attorney, a waiver of a right to a hearing, or an administrative disqualification hearing. *FoodShare Wisconsin Handbook,* §3.14.1. The petitioner can disqualify only the individual found to have committed the intentional violation; it cannot disqualify the entire household. Those disqualified on grounds involving the improper transfer of FS benefits are ineligible to participate in the FoodShare program for one year for the first violation, two years for the second violation, and permanently for the third violation. Although other family members cannot be disqualified, their monthly allotments will be reduced unless they agree to make restitution within 30 days of the date that the FS program mails a written demand letter. 7 C.F.R. §273.16(b).

7 C.F.R. §273.16(e)(4) provides that the hearing shall proceed if the respondent cannot be located or fails to appear without good cause. The respondent did not appear or claim a good cause reason for not attending the hearing. Therefore I must determine whether the respondent committed an IPV based solely on the evidence that the petitioner presented at hearing.

In order for the petitioner to establish that an FS recipient has committed an IPV, it has the burden to prove two separate elements by clear and convincing evidence. The recipient must have: 1) committed; and 2) intended to commit a program violation per 7 C.F.R. §273.16(e)(6). In *Kuehn v. Kuehn*, 11 Wis.2d 15 (1959), the court held that:

> Defined in terms of quantity of proof, reasonable certitude or reasonable certainty in ordinary civil cases may be attained by or be based on a mere or fair preponderance of the evidence. Such certainty need not necessarily exclude the probability that the contrary conclusion may be true. In fraud cases it has been stated the preponderance of the evidence should be clear and satisfactory

> to indicate or sustain a greater degree of certitude. Such degree of certitude has also been defined as being produced by clear, satisfactory, and convincing evidence. Such evidence, however, need not eliminate a reasonable doubt that the alternative or opposite conclusion may be true.…

Kuehn, 11 Wis.2d at 26.

Wisconsin Jury Instruction – Civil 205 is also instructive. It provides:

> Clear, satisfactory and convincing evidence is evidence which when weighed against that opposed to it clearly has more convincing power. It is evidence which satisfies and convinces you that "yes" should be the answer because of its greater weight and clear convincing power. "Reasonable certainty" means that you are persuaded based upon a rational consideration of the evidence. Absolute certainty is not required, but a guess is not enough to meet the burden of proof. This burden of proof is known as the "middle burden." The evidence required to meet this burden of proof must be more convincing than merely the greater weight of the credible evidence but may be less than beyond a reasonable doubt.

Further, the *McCormick* treatise states that "it has been persuasively suggested that [the clear and convincing evidence standard of proof] could be more simply and intelligibly translated to the jury if they were instructed that they must be persuaded that the truth of the contention is highly probable." 2 *McCormick on Evidence* §340 (John W. Strong gen. ed., 4th ed. 1992).

In order to find that an IPV was committed, the trier of fact must derive from the evidence a firm conviction as to the existence of each of the two elements even though there may be a reasonable doubt as to their existence.

In order to prove the second element, i.e., intention, there must be clear and convincing evidence that the FS recipient intended to commit the IPV. The question of intent is generally one to be determined by the trier of fact. *State v. Lossman*, 118 Wis.2d 526 (1984). There is a general rule that a person is presumed to know and intend the probable and natural consequences of his or her own voluntary words or acts. See *John F. Jelke Co. v. Beck*, 208 Wis. 650 (1932); 31A C.J.S. Evidence §131. Intention is a subjective state of mind to be determined upon all the facts. *Lecus v. American Mut. Ins. Co. of Boston*, 81 Wis.2d 183 (1977). Thus there must be clear and convincing evidence that the FS recipient knew that the act or omission was a violation of the FS Program but committed the violation anyway.

Based upon the record before me, I find that the petitioner has established by clear and convincing evidence that the respondent intentionally violated FS program rules, and that this violation was the first such violation committed by the respondent. I note first that even if petitioner had Huber privileges he was ineligible for FS after his incarceration, yet he did not report that he was incarcerated. See FS Handbook, Appendix 3.2.1.2.2, which provides that a Huber prisoner can be eligible for FS only if he cares for minor children. It is clear that the respondent's FS card was used while he was incarcerated, including times when the jail record showed that he was actually in the jail and not out on Huber release. The only inference is that someone other than the respondent was using his FS card.

FS rules are clear that only members of an FS household, or individuals designated by the household, can use a card assigned to that household to purchase food for the household. 7 C.F.R. §274.7(a). There are a number of defenses that the respondent could have offered. He could have said he did not realize that he could not use the FS card while on Huber privileges. He could have said that he designated another person to use the card to purchase food for him. He could have said he did not realize it was against the rules to allow another person to use his card. However, the only explanation that the respondent ever gave for the questionable usage of the card was that his card was stolen at approximately the time he was incarcerated. That explanation fails. First, if a card is stolen the thief would not be able to use the card without knowing the personal identification number (PIN). Second, if a card is stolen it would be a natural reaction by the owner to report a stolen card. Third and most important to this

case, the owner of a stolen card would not contact the agency after the FS benefits ended to ask why the benefits ended. If the respondent was not using the card, or allowing another person to use the card, common sense would suggest that he would not know or care if the FS closed. His claim that the card was stolen adds credence to the conclusion that he knew the card was being used fraudulently while he was incarcerated.

The petitioner correctly seeks to disqualify the respondent from the FS program for one year. The clear and convincing evidence is that is that petitioner allowed another person to use his FS card after he was incarcerated, and that he knew that the action was in violation of FS rules.

CONCLUSIONS OF LAW

1. The respondent violated, and intended to violate, the FS program rule specifying that a recipient shall not traffic FS by allowing non-household members to use the FS card.
2. The violation specified in Conclusion of Law No. 1 is the first such violation committed by the respondent.

NOW, THEREFORE, it is **ORDERED**

That the petitioner's determination is sustained, and that the petitioner may make a finding that the respondent committed a first IPV of the FoodShare program and disqualify the respondent from the program for one year, effective the first month following the date of receipt of this decision.

REQUEST FOR A REHEARING ON GROUNDS OF GOOD CAUSE FOR FAILURE TO APPEAR

In instances where the good cause for failure to appear is based upon a showing of non-receipt of the hearing notice, the respondent has 30 days after the date of the written notice of the hearing decision to claim good cause for failure to appear. See 7 C.F.R. sec. 273.16(e)(4). Such a claim should be made in writing to the Division of Hearings and Appeals, P.O. Box 7875, Madison, WI 53707-7875.

APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, Madison, WI 53703, **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing request (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison, Wisconsin, this 9th day of January, 2017

\sBrian C. Schneider
Administrative Law Judge
Division of Hearings and Appeals

c: East Central IM Partnership – email
Public Assistance Collection Unit - email
Division of Health Care Access and Accountability - email
[redacted] - email

State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

Brian Hayes, Administrator
Suite 201
5005 University Avenue
Madison, WI 53705-5400

Telephone: (608) 266-3096
FAX: (608) 264-9885
email: DHAmail@wisconsin.gov
Internet: http://dha.state.wi.us

The preceding decision was sent to the following parties on January 9, 2017.

Outagamie County Department of Human Services
Public Assistance Collection Unit
Division of Health Care Access and Accountability
[redacted]